

## Message Text

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PAGE 01 BRUSSE 06482 032212Z  
ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 SP-02 ICA-11 AID-05  
EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01  
CIAE-00 COME-00 FRB-03 INR-10 NSAE-00 XMB-02  
OPIC-03 LAB-04 SIL-01 L-03 H-01 PA-01 ITC-01  
/120 W

-----089481 041708Z /41

R 032228Z APR 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 5824  
INFO ALL EC CAPITALS  
AMEMBASSY TOKYO  
USMISSION GENEVA

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USEEC

E.O.11652:N/A  
TAGS: ETRD, JA, EEC  
SUBJECT: EC-JAPAN JOINT COMMUNIQUE

REFS: (A) TOKYO 4809, (B) TOKYO 5002, (C) TOKYO 4835,  
(D) TOKYO 5239

1. IN PRESS CONFERENCE ON MARCH 30, EC DIRECTOR GENERAL  
SIR ROY DENMAN CHOSE TO HIGHLIGHT FOLLOWING ELEMENTS OF  
JOINT EC-JAPAN COMMUNIQUE REPORTED AND ANALYZED IN REFTELS:

-- JAPANESE ESTIMATE TO REDUCE CURRENT ACCOUNT SURPLUS  
BY ONE THIRD IN JFY 78.

-- THE AGREEMENT ON REGULAR MONITORING.

-- JAPANESE EXPECTATION THAT THE SHARE OF MANUFACTURED  
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GOODS IN THE OVERALL TOTAL WILL GO UP TO MORE NORMAL  
LEVELS. DENMAN MENTIONED 30 PERCENT AS A DESIRABLE  
FIGURE.

-- LANGUAGE ON SAFEGUARDS NEGOTIATION IN MTN.

-- POSSIBLE EARLY IMPLEMENTATION OF TARIFF CUTS WHEN THE

MTN IS CONCLUDED. DENMAN SAID HE HAD RECEIVED A FAIRLY CLEAR IMPRESSION THAT IF THE MTN IS SETTLED IN JULY, THE JAPANESE WOULD BE PREPARED TO BEGIN TARIFF REDUCTIONS THIS FALL.

-- THE INCREASE AND UNTYING OF JAPANESE AID.

DENMAN ALSO TOLD THE PRESS THAT ALTHOUGH DECISION ON AIRBUS PURCHASE WAS STILL NOT TAKEN, EC HAD RECEIVED SOME ENCOURAGING INDICATIONS OF EVENTUAL OUTCOME.

2. CONVERSATIONS WITH COMMISSION OFFICIALS ADD LITTLE TO THE INFORMATION CONTAINED IN REFTELS. EC OFFICIALS APPEAR TO HAVE BEEN IMPRESSED BY JAPANESE DOMESTIC POLITICAL REALITIES AND TO RECOGNIZE THAT GOJ WAS UNDER STRONG CONSTRAINTS, PARTICULARLY WITH DIET IN SESSION, AS TO HOW MUCH IT COULD CONCEDE TO THEM. WITH RESPECT TO AMBIGUITY OF ONE-THIRD CUT IN CURRENT ACCOUNT SURPLUS, COMMISSION OFFICIALS STATE THAT BOTH SIDES REALIZED THAT EARLIER JAPANESE \$6 BILLION ESTIMATE FOR JFY 78 SURPLUS WAS OUT OF DATE BUT AS IT WAS PART OF BUDGET FIGURES CURRENTLY UNDER DEBATE IN DIET, GOJ COULD NOT DISOWN IT PUBLICLY. QUESTION OF WHETHER ONE-THIRD REDUCTION IS ONE-THIRD OF EARLIER ESTIMATED \$10 BILLION PERFORMANCE FOR JFY 77 OR ACTUAL FIGURE WAS LEFT PURPOSELY AMBIGUOUS BUT BOTH SIDES UNDERSTAND LIMITED OFFICIAL USE

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EACH OTHER'S VIEWS. EC CONTINUES TO EXPECT JAPANESE WILL ORIENT POLICY SO AS TO COME AS CLOSE AS POSSIBLE TO \$6 BILLION TARGET, BUT REALIZE THIS IS PROBABLY NOT FEASIBLE.

3. IN DISCUSSING AIRBUS PURCHASES WITH US, EC OFFICIALS DO NOT GO BEYOND UNDERSTANDING REPORTED IN REF A. APPARENT REASON FOR COMMISSION OPTIMISM ON GOJ ABILITY TO MORE THAN DOUBLE AID IS BASED ON JAPANESE "BEST EFFORTS" COMMITMENT IN COMMUNIQUE TO APPROACH DAC AVERAGE PERFORMANCE. THIS WOULD RESULT IN NEARLY A TRIPLING OF JAPANESE AID.

4. IN ADVANCE OF COUNCIL OF FOREIGN MINISTERS DISCUSSION, COMMISSION OFFICIALS WERE REASONABLY CONFIDENT THAT MEMBER STATES WOULD ACCEPT COMMUNIQUE AS SUFFICIENT FOR TIME BEING AND THAT QUESTION WILL BE ALLOWED TO KEEP UNTIL THIS FALL WHEN SIGNS OF REVERSAL OF TREND IN JAPANESE BALANCE SHOULD BEGIN TO APPEAR. MORRIS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMUNIQUE, TRADE DATA, TRADE AGREEMENTS  
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**Copy:** SINGLE  
**Draft Date:** 03 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRUSSE06482  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Reference:** 78 TOKYO 4809, 78 TOKYO 5002, 78 TOKYO 4835, 78 TOKYO 5239  
**Retention:** 0  
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**TAGS:** ETRD, JA, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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